

Message Text

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SUBJ: TORONTO STAR CONTINUES MOMENTUM OF CAMPAIGN QUESTIONING

AUTO PACT

REF: TORONTO 0455

1. SATURDAY, JUNE 10, TORONTO STAR CARRIED TWO ARTICLES WHICH CONTINUED THE NATIONALIST PAPER'S CAMPAIGN FOR REVISION OF THE AUTO PACT. A STAFF-WRITTEN NEWS STORY FROM WASHINGTON EXPRESSED NDP LEADER ED BROADBENT'S NEGATIVE REACTIONS AFTER TALKS AT DEPARTMENT REGARDING THE AUTO PACT WHILE A FEATURE STORY ON THE SCIENCE COUNCIL OF CANADA CONCLUDED BY DRAWING COMMENTS ON THE NEED FOR DOMESTIC CANADIAN DEVELOPMENT TO A SIMPLE BUT STRONG CONCLUSION ON THE RATIONALE FOR RE-NEGOTIATION OF THE AUTO PACT.

2. THE PAGE SEVEN NEWS COVERAGE OF THE BROADBENT VISIT, HEADLINED "U.S. PREPARED TO STONEWALL ON AUTO PACT -- BROADBENT", STATED THAT "THE UNITED STATES GOVERNMENT IS PREPARED TO STONEWALL CANADA'S EFFORTS TO GET A GREATER SHARE OF JOBS AND INVESTMENT FROM THE AUTO PACT. THAT'S THE CONCLUSION A DEPRESSED ED BROADBENT, LEADER OF THE

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FEDERAL NEW DEMOCRATIC PARTY REACHED YESTERDAY AFTER MEETING A SENIOR U.S. STATE DEPARTMENT OFFICIAL IN WASHINGTON." AFTER A MEETING WITH ASSISTANT SECRETARY JULIUS KATZ, BROADBENT WAS QUOTED AS SAYING THE AMERICANS "ARE JUST DELIGHTED" WITH THE AUTO PACT "AND AFTER ALL THEY SHOULD BE, THEY HAVE A SURPLUS OF DOLS 1 BILLION." BROADBENT WAS REPORTED AS SAYING HE GOT "A NEGATIVE

RESPONSE" WHEN HE MADE SPECIFIC PROPOSALS TO IMPROVE CANADA'S SHARE OF JOBS AND INVESTMENT. ONE PROPOSAL RELATED TO TAX INCENTIVES AND OTHER INDUCEMENTS TO GET AUTO MANUFACTURERS TO LOCATE NEW PLANTS IN CANADA, ANOTHER TO GETTING THE CANADIAN GOVERNMENT TO APPLY PRESSURE ON THE BIG FOUR AUTO MAKERS TO STEP UP THEIR INVESTMENTS. ACCORDING TO THE STAR REPORT, BROADBENT SAID THAT KATZ TOLD HIM "IF CANADA DOES START UNDERCUTTING COMPETITION FROM THE U.S. BY OFFERING GREATER TAX INCENTIVES, THE U.S. GOVERNMENT MIGHT INTERVENE." ON THE MATTER OF PRESSURE, BROADBENT WAS REPORTED AS SAYING "MR. KATZ MADE IT CLEAR THE AMERICAN GOVERNMENT WOULD OBJECT TO THAT PROCESS." HE CONTINUED "IT IS CLEAR FROM WHAT MR. KATZ TOLD ME TODAY THAT THE CANADIAN GOVERNMENT IS DOING VIRTUALLY NOTHING (TO REDRESS THE BALANCE). IF WE STOOD UP FOR OUR INTERESTS, IT IS QUITE CONCEIVABLE THAT THE AMERICANS WOULD GO ALONG WITH IT. BUT IT IS UP TO US TO ASSERT CANADIAN INTERESTS."

3. IN A STAFF-WRITTEN STORY ON DR. JOSEF KATES, CHAIRMAN OF THE SCIENCE COUNCIL OF CANADA, THE STAR REPORTED UNDER THE HEADLINE "A PLAN TO RECAPTURE CANADIAN TECHNOLOGY", KATES' THOUGHTS ON HOW CANADA SHOULD DEMAND BOTH 90 PER CENT CANADIAN CONTENT IN CONSTRUCTION OF THE ALBERTA TAR SANDS PROCESSING PLANTS AND A "WHOLE PACKAGE" CON-

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CEPT IN RENEGOTIATING THE AUTO PACT. MOST OF THE ARTICLE WAS DEVOTED TO THE QUESTION OF THE TAR SANDS PLANTS BUT ALSO MENTIONED WAS THE MILITARY AVIATION PURCHASE AND THE GOC'S EVALUATION OF FOREIGN BIDS BASED "PARTLY ON THE BASIS OF HOW MUCH WILL BE SPENT IN CANADA. 'THAT'S NOT GOOD ENOUGH', KATES SAYS EMPHATICALLY. 'IT'S NOT GOOD ENOUGH JUST TO ASK HOW MANY DOLLARS ARE COMING BACK INTO CANADA. OUR STRATEGY SHOULD BE TO GO FOR A COMPLETE PACKAGE - THE CONTROL PACKAGE, OR THE PROPULSION PACKAGE. LET'S NOT JUST MAKE A WING, OR THE PISTON OF AN ENGINE. LET'S GET A WHOLE PACKAGE THAT CREATES AN INDUSTRY THAT CAN BECOME WORLD COMPETITIVE AND EXPORT.'"

4. THE ARTICLE CONTINUED TO THE CONCLUSION OF DR. KATES REGARDING THE AUTO PACT. "HE WANTS THE GOVERNMENT TO APPLY THE SAME PRINCIPLE IN RENEGOTIATING THE AUTO PACT. 'I SAY WE SHOULD RENEGOTIATE IT TO ENSURE WE GET R AND D, MANAGERIAL SKILLS, AND MOST IMPORTANT OF ALL, A COMPLETE PACKAGE, A COMPLETE LINE, SAY A CHEVROLET, FROM ONE END TO THE OTHER,' SAID KATES. 'TO THINK THAT THIS IS THE LARGEST MANUFACTURING INDUSTRY IN CANADA, BUT THE ONE IN WHICH WE HAVE THE LEAST CONTROL AND KNOW-

HOW, AND YET IT IS SUCH A COMPARATIVELY SIMPLY INDUSTRY."

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